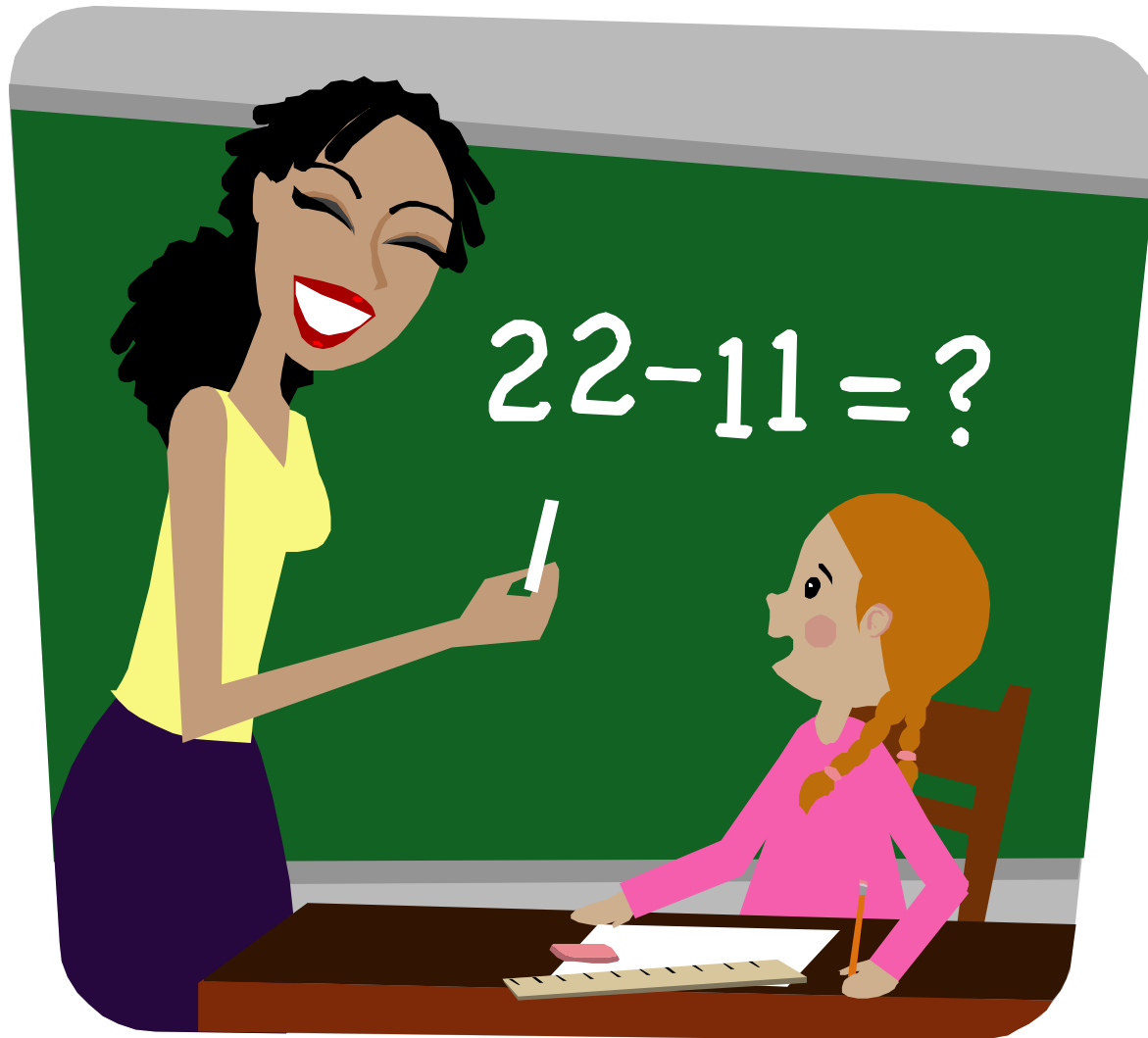


IDEA's Excess Cost Overview

1

**AREN'T THERE ENOUGH PROBLEMS IN
THE WORLD ALREADY?**



34 CFR §300, Appendix A

Excess Costs Calculation

3

Amounts provided under Part B of IDEA may be used only to pay the excess costs of providing special education and related services to children with disabilities

34 CFR §300, Appendix A Excess Cost

4

Excess costs are those costs for the education of an elementary school or secondary school student with a disability that are in excess of the average annual per student expenditure in an LEA during the preceding school year for an elementary school or secondary school student, as may be appropriate

34 CFR §300, Appendix A Excess Cost

5

An LEA must spend at least the average annual per student expenditure on the education of an elementary school or secondary school child with a disability before funds under Part B are used to pay the excess costs of providing special education and related services.

Minimum Average Amount

6

Section 602(8) of IDEA and §300.16 of 34 CFR require an LEA to compute the minimum average amount **separately** for children with disabilities in its **elementary** schools and for children with disabilities in its **secondary** schools.

Minimum Average Amount

7

- The minimum average amount is required to be computed separately for children with disabilities in the elementary schools and for children with disabilities in the secondary schools
- LEAs may not compute the minimum average amount it must spend on the education of children with disabilities based on a combination of the enrollments in its elementary schools and secondary schools

Elementary and Secondary

8

- **Wis Stat. 115.01 Classifications**
 - (2) Grades.”The first 8 grades are the elementary grades. Where reference is made to "elementary grades", the reference includes kindergarten, where applicable. Where reference is made to "kindergarten", the reference includes both 4-year-old and 5-year-old kindergarten, except as otherwise specifically provided.”

Computation of the Minimum Average Amount

9

Step 1:

- Determine the total amount of expenditures for elementary or secondary school students from all sources – local, State and Federal (including Part B) in the preceding school year. Exclude capital outlay and debt services
 - This includes children with disabilities (expenditures for all children)

Computation of the Minimum Average Amount

10

- Pull all expenditures for funds 10, 20 and 50 from the financial annual report
- Capital outlay and debt service are accounted for in funds 30 and 40
- Subtract debt service payments in fund 10 (operating debt, capital leases)?
- Pull capital outlay paid with local funds and not accounted for in fund 49

Computation of the Minimum Average Amount

11

Simplified Example:

	Elementary	Secondary
Fund 10 Total Expenditures	\$6,900,000	\$4,530,000
Fund 20 Total Expenditures	\$1,000,000	\$750,000
Fund 50 Total Expenditures	\$50,000	\$30,000
Total	\$7,950,000	\$5,310,000

Computation of the Minimum Average Amount

12

Simplified Example:

	Elementary	Secondary
Total	\$7,950,000	\$5,310,000
Subtract any fund 10 or 20 debt payments	\$50,000	\$80,000
Subtract any fund 10 or 20 capital objects	\$100,000	\$100,000
Total Expenditures less capital outlay and debt	\$7,800,000	\$5,130,000

Computation of the Minimum Average Amount

13

- Step 2
 - Subtract from the total expenditures amounts spent for:
 - ✦ IDEA, Part B allocation (project 340 or source 730)
 - ✦ ESEA, Title I, Part A allocation (Revenue because we do not collect the project codes)
 - ✦ ESEA Title III, Parts A and B allocation
 - ✦ State and local funds for children with disabilities (calculated for MOE)
 - ✦ State and local funds for Title I, Part A, and Title III, Parts A and B

Computation of the Minimum Average Amount

Simplified Example:

	Elementary	Secondary
IDEA, Part B (project 340)	\$100,000	\$200,000
ESEA, Title I, Part A (source 751 is more than just Title I) claims	\$200,000	\$140,000
ESEA, Title III, Parts A and B claims	\$50,000	\$25,000
State and Local Fund for Children with Disabilities (used for MOE, project 011 and 019)	\$400,000	\$550,000
State and Local Funds for Programs under ESEA, Title I, Part A and Title III, Parts A and B	\$0	\$0
Total	\$750,000	\$915,000

Computation of the Minimum Average Amount

15

Simplified Example:

	Elementary	Secondary
Total Expenditures less capital outlay and debt	\$7,800,000	\$5,130,000
Total Revenue	\$750,000	\$915,000
Total	\$7,050,000	\$4,215,000

Computation of the Minimum Average Amount

16

- Step 2
 - Subtract from the total expenditures amounts spent for:
 - ✦ We also have these grant funds that are being used to pay another school district for services provided. The school district providing the services has the cost included on their books and the school district paying for the services has a purchased service cost on their books.
 - ✦ We would be including those cost in both school districts if we did not take them out of the district being reimbursed for the service

Computation of the Minimum Average Amount

17

Step 2

- Subtract from the total expenditures Inter-District Receipts

	Elementary	Secondary
Total	\$7,050,000	\$4,215,000
Interdistrict Payments and Payments for Services from CESAs/CCDEBs	\$50,000	\$35,000
Total	\$7,000,000	\$4,180,000

Computation of the Minimum Average Amount

18

Step 3

- Determine the average annual per student expenditure by dividing the average number of students enrolled in the elementary schools of the agency during the preceding year (including children with disabilities) into the amount computed. This will be the minimum amount the LEA must spend (on the average) for the education of each of its children with disabilities.
- Funds under Part B may be used only for costs over and above this minimum

Computation of the Minimum Average Amount

19

Step 3

- We collect the membership of all students so will be able to pull these numbers from the pupil count reports submitted
- We do not collect them by elementary/secondary
- ISES?

Computation of the Minimum Average Amount

20

Step 3

- ✦ Calculate Average Annual Per Student Expenditure

	Elementary	Secondary
Total	\$7,000,000	\$4,180,000
Average Number of Students Enrolled	955	443
Average Annual Per Student Expenditure	\$7,330	\$9,445

Computation of the Minimum Average Amount

21

Step 4

- The average annual per student expenditure is then multiplied by the number of school children with disabilities in the LEA (for the current year).
- We know the number of children with disabilities through the child count
 - ✦ Use child count for MOE
- This is then the amount that must be spent for children with disabilities before using Part B funds

Computation of the Minimum Average Amount

22

Step 4

	Elementary	Secondary
Average Annual Per Student Expenditure	\$7,330	\$9,445
Number of Children with Disabilities – Current Year	100	75
Minimum amount of funds that must be spent for education of children with disabilities enrolled before using Part B funds	\$733,000	\$708,375

Computation of the Minimum Average Amount

23

- This is where Appendix A to Part 300 – Excess Costs Calculation STOPS
- How do we know if the minimum amount of funds that must be spent for education of children with disabilities enrolled before using Part B funds is being met?

Compliance with Excess Cost

24

- Do we look at the state and local expenditures in fund 27 and compare it to that

	Elementary	Secondary
Minimum amount of funds that must be spent for education of children with disabilities enrolled before using Part B funds	\$733,000	\$708,375
State and Local Expenditures in Fund 27	\$1,000,000	\$750,000

Compliance with Excess Cost

25

What about an allocable portion of regular education costs (such as regular education teacher salaries for classes where children with disabilities are mainstreamed, or regular education transportation costs for children with disabilities who use such transportation)?

This is what we think

26

- Run the calculation based on audited financial data for the previous year and child count as of October 1 for the current year. This will provide you with what is needed to be spent prior to claiming excess cost for IDEA Part B

This is what we think

27

- At the end of the year when you again run the calculation with current year actual data you can test whether in compliance
 - Run the calculation but use current year financial data and current year child count
 - Add the local and state expenditures
 - Compare to what was calculated as needing to be spent

Unanswered Questions

28

- Will this calculation be performed at the state level or LEA level?
- What is included in the test to see whether minimum amount of funds have been spent?
- What actions are to be taken if LEA does not meet the excess cost test?

Clarification from OSEP

29

<http://www.ode.state.or.us/data/schoolanddistrict/funding/sped/excesscostcalculation.pdf>

- How many of you currently identify your costs by elementary or secondary levels?

**Some days the best thing
about my job is that my
chair spins.**

-Maxine-



Technical Assistance

Fiscal under IDEA

http://sped.dpi.wi.gov/sped_lpp-budgets

Special Education Team Contacts:

http://sped.dpi.wi.gov/sped_hmstaff